

Indiana House of Representatives

News and Information

Media Office

Democratic Caucus

John Schorg, Director

Statehouse, Room 157

Indianapolis, Indiana 46204

1-800-382-9842 or 1-317-232-9621

Fax Number: 1-317-232-9792

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REP. BOB BISCHOFF'S STATEHOUSE REPORT

INDIANAPOLIS – Following the lead of our new Gov. Mitch Daniels, the 2005 session of the Indiana General Assembly got off to a fast start this week.

At his inauguration on Monday (January 10), Indiana's new governor said he wanted to get to work immediately, and Indiana House members followed his lead, taking action on major initiatives covering such areas as economic development and consumer protection.

While progress was made on several fronts, it was disappointing to see our governor consider it a priority to get rid of protections that enabled more than 25,000 state employees to negotiate their wages and other benefits. In one of his first acts in office, Gov. Daniels eliminated a collective bargaining system started by former Gov. Evan Bayh that has worked successfully for the past 16 years.

I am worried that the governor's decision will remove the opportunities of these working men and women to get a fair salary, insurance and health care benefits, and give them little recourse if they are unfairly disciplined or let go. We intend to ask the governor to reconsider his decision and issue a new order restoring bargaining rights.

In 2003, lawmakers passed a bipartisan plan creating the Indiana Economic Development Corporation, which will lead our state's efforts at retaining and creating jobs. Upon taking office, Gov. Daniels placed a high priority on getting this agency off the ground, and House members approved legislation this week that will help achieve that goal. House Bill 1003 streamlines the membership of the board that oversees the corporation, places the governor in charge of the group and gets it in operation in a timelier fashion.

I am in favor of legislation that helps bring new jobs to the state of Indiana, and I am pleased that we were able to make changes to House Bill 1003 that will provide more public accountability, ensure a bipartisan approach, and make sure that the group follows state ethics guidelines.

However, I am also concerned that this measure gives the corporation the power to award tax abatements and other breaks that could raise local property taxes. Bringing more jobs to Indiana is important, but I do not want to add to the existing burdens of homeowners and other taxpayers.

There was more discussion over a second measure (House Bill 1004), which would create an 8-week amnesty for delinquent taxpayers to pay back taxes without any interest, penalties or prosecution. It is estimated that the state could collect as much as \$269 million through this grace period, although most experts believe it will be more in the \$100-\$150 million range.

I supported this bill because I believe this amnesty will help bring additional funds to our state at a time when we are facing a substantial budget deficit. I must admit, though, that I have a problem with any kind of program that forgives businesses and people for ignoring obligations to pay state taxes that others accept willingly. However, all of these delinquent taxes are more than two years in arrears and not being collected by the Indiana Department of Revenue.

CONSUMER PROTECTION – The first measure to receive full House approval in the 2005 session was House Bill

1021, which makes technical changes to The Indiana Homeowner Protection Act, landmark legislation approved by the Indiana General Assembly in 2004 that helps protect people from the dangers caused by dishonest lenders who target homeowners with overpriced loans that strip away equity.

Thanks to the bipartisan passage of this Act, Indiana is in the forefront in the country in stopping shady lending practices that cost Indiana residents more than \$150 million a year. The Act is aimed toward helping people on fixed or limited incomes, including seniors and minorities.

TAX RELIEF – Representatives also approved House Bill 1083, which extends the life of the state's earned income tax credit that benefits individuals and families on lower and fixed incomes. Created by the Legislature in 1999, this credit is considered a valuable tool in helping move people from welfare to work. The late President Ronald Reagan called this credit one of the greatest incentives for a person to work that has ever been created.

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